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Proposed programme budget for the biennium 2002-2003*

Income section 1
Income from staff assessment

* The present document contains income section 1 of the proposed programme budget for the biennium 2002-2003. The approved programme budget will subsequently be issued in final form as *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 6* (A/56/6/Rev.1).

01-33640 (E) 200401

Estimates of income

Income section 1
Income from staff assessment

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*Increase (decrease)*
Staff assessment	333 125.2	348 364.2	15 239.0

IS1.1 The estimates under the present income section comprise the global provision requested under section 32, Staff assessment ($343,594,500), and that portion of the expenditure estimates under income section 3, Services to the public, relating to staff assessment ($4,769,700).

IS1.2 All revenue from staff assessment not otherwise disposed of by specific resolution of the General Assembly is credited to the Tax Equalization Fund established by the Assembly in its resolution 973 A (X) of 15 December 1955. Member States are given credit in the Fund in accordance with the scale of assessments for the regular budget applicable to the financial year concerned.

United Nations A/56/6 (Income sect. 2)

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Proposed programme budget for the biennium 2002-2003*

Income section 2
General income

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* The present document contains income section 2 of the proposed programme budget for the biennium 2002-2003. The approved programme budget will subsequently be issued in final form as *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 6* (A/56/6/Rev.1).

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Income section 2
General income

Table IS2.1

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*Increase (decrease)*
	42 728.6	**47 164.0**	**4 435.4**

Table IS2.2 **Summary by source of income**

(Thousands of United States dollars)

Source	*2000-2001 approved estimates*	*2002-2003 estimates*	*Increase (decrease)*
A. Income from rental of premises	13 194.2	13 787.9	593.7
B. Reimbursement for services provided to specialized agencies and others	8 436.0	8 382.6	(53.4)
C. Bank interest	5 044.5	6 000.0	955.5
D. Sale of used equipment	422.5	757.0	334.5
E. Refund of previous years' expenditures	1 813.8	3 960.2	2 146.4
F. Contributions of non-member States	7 672.0	7 911.2	239.2
G. Television and similar services	473.1	365.1	(108.0)
H. Miscellaneous income	5 672.5	6 000.0	327.5
Total	**42 728.6**	**47 164.0**	**4 435.4**

A. Income from rental of premises

IS2.1 The estimates under this heading, the details of which are shown in table IS2.3, relate to the payment of rent by a number of specialized agencies and other entities connected with the activities of the Organization for the occupancy of United Nations premises in New York, Geneva, Addis Ababa, Bangkok, Nairobi and Santiago. An increase of $656,100 at Headquarters is the net effect of the application of a higher rental rate beginning in 2002, a reduction in the amount of space provided to some tenants and changes in rental arrangements for some in-house contractors, including the travel agency. The additional rental income is shown net of the cost of cleaning, utilities and related services provided for occupants. The decrease in rental income at the United Nations Office at Geneva and the United Nations Office at Nairobi and the increase at Addis Ababa and Bangkok is the net result of a combination of factors at each duty station, such as currency fluctuations, renegotiation of rental agreements and movement of tenants. Also contributing to the decrease in rental income at Nairobi is the reduction in the amount of office space occupied by extrabudgetary staff in view of the strengthening of the regular budget component of the Office, as detailed in section 27G, Administration, Nairobi. Rental income generated in Santiago, which had not been included in the estimates for prior bienniums, is now reflected in the programme budget under the present section.

Table IS2.3 **Income from rental of premises**

(Thousands of United States dollars)

Source	*2000-2001 approved estimates*	*2002-2003 estimates*	*Increase (decrease)*
Headquarters, New York	5 552.0	6 208.1	656.1
United Nations Office at Geneva	1 279.9	976.3	(303.6)
United Nations Office at Nairobi	4 499.0	4 370.6	(128.4)
ECA, Addis Ababa	1 168.5	1 490.4	321.9
ESCAP, Bangkok	694.8	717.5	22.7
ECLAC, Santiago	-	25.0	25.0
Total	**13 194.2**	**13 787.9**	**593.7**

B. Reimbursement for services provided to specialized agencies and others

IS2.2 The expected income under this heading is outlined in table IS2.4. The estimated income under the items listed in table IS2.4 do not reflect significant variations against their estimate for the current biennium. At the end of the biennium 2002-2003, the reimbursement of $2 million expected against the advance of $16 million made to UNIDO would have amortized the loan by a total of $14 million, with a balance of $2 million remaining.

Table IS2.4 **Reimbursement for services provided to specialized agencies and others**

(Thousands of United States dollars)

Source	*2000-2001 approved estimates*	*2002-2003 estimates*	*Increase (decrease)*
Headquarters			
Telecommunications	1 700.0	1 684.8	(15.2)
United Nations Office at Geneva			
Conferences, document reproduction, distribution and other services	2 932.6	2 906.4	(26.2)
Laisser-passer/visa services	44.5	35.9	(8.6)
Language training	187.7	174.7	(13.0)
United Nations Office at Vienna			
Communications	952.0	952.0	-
Laisser-passer/visa services	20.0	20.0	-
Building maintenance	510.8	520.0	9.2
Economic Commission for Africa			
Language training	88.4	88.8	0.4
Advances			
Advances to UNIDO	2 000.0	2 000.0	-
Total	**8 436.0**	**8 382.6**	**(53.4)**

C. Bank interest

IS2.3 On the basis of recent experience, an estimated $6 million in interest is expected to be paid by banks on balances in United Nations accounts during the biennium 2002-2003. The increase of $955,500 reflects the effect of the arrangements whereby the United Nations bank balances earn a full market rate of interest. At the same time, the United Nations pays bank fees on the basis of rates established through a competitive bidding system.

D. Sale of used equipment

IS2.4 The estimate of $757,000, reflecting an increase of $334,500 over the 2000-2001 estimates, is projected for the sale of used equipment on the basis of recent actual income earned.

E. Refund of previous years' expenditures

IS2.5 An estimate of $3,960,200, reflecting an increase of $2,146,400 over the 2000-2001 estimate, is expected to be refunded from prior years' expenditures based on recent actual income performance data under this item.

F. Contributions of non-member States

IS2.6 Under the terms of rule 160 of the rules of procedure of the General Assembly and regulation 5.9 of the Financial Regulations of the United Nations, States that are not members of the United Nations but that participate in certain of its activities contribute towards the expenses of such activities at rates to be determined by the Assembly. By its resolution 44/197 B of 21 December 1989, the Assembly endorsed the revised assessment procedures for non-member States contained in the report of the Committee on Contributions on its forty-ninth session (A/44/11, paras. 50-52, and A/44/11/Add.1 and Corr.1). The procedures provide for the assessment of contributions on the basis of a flat annual fee calculated at the beginning of each year. The estimate of $7,911,200 under this heading relates to contributions expected from non-member States in the biennium 2002-2003 on the basis of contributions payable for 2001.

G. Television and similar services

IS2.7 Income from television and similar services is estimated at $365,100, reflecting a decrease of $108,000, based on recent actual income performance data under this item.

H. Miscellaneous income

IS2.8 Various receipts that cannot properly be classified under any of the preceding sub-items are included under this heading. The estimate of $6 million, reflecting an increase of $327,500, is based on experience over the last three bienniums.

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Proposed programme budget for the biennium 2002-2003*

Income section 3
Services to the public

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* The present document contains Income section 3 of the proposed programme budget for the biennium 2002-2003. The approved programme budget will subsequently be issued in final form as *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 6* (A/56/6/Rev.1).

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Income section 3
Services to the public

Overview

IS3.1 Although the activities provided for under this section may be considered revenue-producing activities, they were not established for that purpose. For the most part, they respond to objectives of various programmes of the medium-term plan for the period 2002-2005, as revised (A/55/6/Rev.1). These include subprogramme 24.4, Support services, of programme 24, Management and central support services, through the sale of philatelic and gift items; subprogramme 23.1, Promotional services, in promoting an understanding of the Organization's work through guided tours, lectures/briefings, seminars and special events, and subprogramme 23.4, Publication services, through the sale of United Nations publications, both falling under programme 23, Public information, and subprogramme 7.5, Statistics, of programme 7, Economic and social affairs, through the sale of statistical products. Other activities provided for under this section that are not individually addressed in the medium-term plan and are essentially revenue-producing activities, namely: the garage, the news-stand and catering operations, and those recently established at Vienna, Addis Ababa and Bangkok.

IS3.2 A review of commercial activities was undertaken in response to General Assembly resolution 52/220 of 22 December 1997. Its major findings and recommendations are included in the report of the Secretary-General on the proposed measures to improve the profitability of the commercial activities of the United Nations (A/55/546). The review identified a number of practical measures that could be taken by the Secretariat to boost sales and revenues of and attract more customers for existing commercial services at the United Nations. Among others, it included renegotiating agreements with the host country's postal administration, more intensive utilization of web-based resources to boost sales in the publications and philatelic areas, restructuring the catering operations and a set of measures for modernizing and improving the visitor's experience at the United Nations with a view to raising the profile and public awareness of the Organization.

IS3.3 The projected net revenue for the biennium 2002-2003, $4,637,900 anticipating a decrease of $331,000 in comparison with the revised estimates of $4,968,900 for the biennium 2000-2001, is detailed in table IS3.2. The decrease is largely attributable to a decline in sales of the United Nations philatelic items, partly offset by income from the sale of publications, and income generated by the conference centres at ESCAP and ECA.

IS3.4 Expenditures related to the Revenue Accounts Unit remain unchanged and are provided for under section B below. Providing for such expenditures under this section responds to the recommendation for a full-cost approach made by the Office of Internal Oversight Services and endorsed by the General Assembly.

IS3.5 The activities, which are carried out at Headquarters, Geneva, Vienna, Addis Ababa and Bangkok, are directed by the following organizational units: the Department of Public Information, the Department of Economic and Social Affairs, the Office of Central Support Services, the United Nations Office at Geneva, the United Nations Office at Vienna, ECA, ESCAP and the Office of Programme Planning, Budget and Accounts.

IS3.6 The percentage distribution of the total gross revenues and expenditures for services to the public during the biennium 2000-2001 are shown in table IS3.1.

Table IS3.1 **Percentage distribution of resources by component**

Component	*Income*	*Expenditure*
A. Programme of work		
1. United Nations Postal Administration operations	33.4	36.6
2. Sale of United Nations publications	37.8	34.1
3. Services to visitors	14.5	19.6
4. Sale of statistical products	1.9	2.0
5. Sale of gift items	3.6	-
6. News-stand operations	0.4	-
7. Garage operations	5.2	3.6
8. Catering operations	2.0	2.0
9. Other commercial operations	1.2	0.5
B. Programme support to revenue-producing activities		
Revenue Accounts Unit	-	1.6
Total	**100.0**	**100.0**

Table IS3.2 **Summary by individual activity: estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
A. Programme of work			
1. United Nations Postal Administration operations			
Gross revenue	20 755.4	16 975.3	(3 780.1)
Less expenses against revenue	19 114.7	16 861.3	(2 253.4)
Net revenue	1 640.7	114.0	(1 526.7)
2. Sale of United Nations publications			
Gross revenue	18 569.4	19 222.8	653.4
Less expenses against revenue	15 893.9	15 699.1	(194.8)
Net revenue	2 675.5	3 523.7	848.2
3. Services to visitors			
Gross revenue	6 721.8	7 369.6	647.8
Less expenses against revenue	8 798.1	9 147.6	349.5
Net revenue	(2 076.3)	(1 778.0)	298.3
4. Sale of statistical products			
Gross revenue	928.0	949.3	21.3
Less expenses against revenue	844.5	895.4	50.9
Net revenue	83.5	53.9	(29.6)
5. Sale of gift items			
Gross revenue	1 825.0	1 845.9	20.9
Less expenses against revenue	-	17.0	17.0
Net revenue	1 825.0	1 828.9	3.9
6. News-stand operations			
Gross revenue	200.0	200.0	-
Less expenses against revenue	-	-	-
Net revenue	200.0	200.0	-
7. Garage operations			
Gross revenue	2 847.4	2 636.7	(210.7)
Less expenses against revenue	1 666.6	1 644.1	(22.5)
Net revenue	1 180.8	992.6	(188.2)
8. Catering operations			
Gross revenue	1 000.0	1 020.9	20.9
Less expenses against revenue	902.6	938.9	36.3
Net revenue	97.4	82.0	(15.4)
9. Other commercial operations			
Gross revenue	60.1	597.8	537.7
Less expenses against revenue	18.7	231.6	212.9
Net revenue	41.4	366.2	324.8
B. Programme support			
Revenue Accounts Unit			
Expenses against revenue	699.1	745.3	46.2
Total gross revenue	52 907.1	50 818.2	(2 088.9)
Less total expenses against revenue	47 938.2	46 180.3	(1 757.9)
Total net revenue	**4 968.9**	**4 637.9**	**(331.0)**

Estimated expenditures against revenue

Table IS3.3 Resource requirements by component

(Thousands of United States dollars)

Regular budget

Component	1998-1999 expenditure	2000-2001 appropriation	Resource growth: Amount	Resource growth: Percentage	Total before recosting	Recosting	2002-2003 estimate
1. United Nations Postal Administration operations	18 658.5	19 114.7	(3 065.1)	(16.0)	16 049.6	811.7	16 861.3
2. Sale of United Nations publications	14 091.9	15 893.9	(970.1)	(6.1)	14 923.8	775.3	15 699.1
3. Services to visitors	7 390.2	8 798.1	43.9	0.4	8 842.0	305.6	9 147.6
4. Sale of statistical products	645.0	844.5	4.5	0.5	849.0	46.4	895.4
5. Sale of gift items	-	-	17.0	-	17.0	-	17.0
6. Garage operations	1 595.5	1 666.6	(109.3)	(6.5)	1 557.3	86.8	1 644.1
7. Catering operations	-	902.6	(5.3)	(0.5)	897.3	41.6	938.9
8. Other commercial operations	-	18.7	214.5	-	233.2	(1.6)	231.6
9. Revenue Accounts Unit	542.6	699.1	-	-	699.1	46.2	745.3
Total	**42 923.7**	**47 938.2**	**(3 869.9)**	**(8.0)**	**44 068.3**	**2 112.0**	**46 180.3**

Table IS3.4 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	1998-1999 expenditure	2000-2001 appropriation	Resource growth: Amount	Resource growth: Percentage	Total before recosting	Recosting	2002-2003 estimate
Posts	20 789.6	20 981.6	(1 376.4)	(6.5)	19 605.2	1 162.4	20 767.6
Other staff costs	8 347.6	8 532.1	(432.2)	(5.0)	8 099.9	348.2	8 448.1
Non-staff compensation	153.1	163.5	(15.2)	(9.2)	148.3	4.2	152.5
Consultants and experts	258.2	332.1	2.2	0.6	334.3	10.9	345.2
Travel of staff	415.8	438.4	38.0	8.6	476.4	26.1	502.5
Contractual services	4 996.8	6 957.1	(1 202.6)	(17.2)	5 754.5	160.8	5 915.3
General operating expenses	2 849.3	3 714.8	18.9	0.5	3 733.7	156.0	3 889.7
Hospitality	16.4	23.7	(0.2)	(0.8)	23.5	0.2	23.7
Supplies and materials	467.1	831.2	(299.3)	(36.0)	531.9	16.3	548.2
Furniture and equipment	437.9	551.7	40.1	7.2	591.8	17.3	609.1
Grants and contributions	0.2	-	-	-	-	-	-
Other	4 191.7	5 412.0	(643.2)	(11.8)	4 768.8	209.6	4 978.4
Total	**42 923.7**	**47 938.2**	**(3 869.9)**	**(8.0)**	**44 068.3**	**2 112.0**	**46 180.3**

Table IS3.5 **Post requirements**

Category	Established regular budget posts		Temporary posts: Regular budget		Temporary posts: Extrabudgetary		Total	
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
Professional and above								
D-1	1	1	-	-	-	-	1	1
P-5	2	2	-	-	-	-	2	2
P-4/3	15	13	-	-	-	-	15	13
P-2/1	5	4	-	-	-	-	5	4
Subtotal	**23**	**20**	-	-	-	-	**23**	**20**
General Service								
Principal level	8	8	-	-	-	-	8	8
Other level	99	94	-	-	-	-	99	94
Subtotal	**107**	**102**	-	-	-	-	**107**	**102**
Other								
Security Service	2	2	-	-	-	-	2	2
Subtotal	**2**	**2**	-	-	-	-	**2**	**2**
Total	**132**	**124**	-	-	-	-	**132**	**124**

A. Programme of work

IS3.7 The Commercial Activities Service of the Office of Central Support Services responds to the objectives of subprogramme 24.4, Support services, of programme 24, Management and central support services, of the medium-term plan in respect of the following activities: United Nations Postal Administration (all activities); and, at Headquarters, the gift shop, the news-stand, and garage operations. In carrying out these activities during the biennium 2002-2003, the Service will strive to promote greater awareness of the aims and activities of the United Nations and maximize the effectiveness of its operations.

IS3.8 In addition to the activities enumerated above, the Service is responsible for the administration of the catering contract at Headquarters. Under the terms of a six-year contract effective April 1997, the contractor makes capital improvements to the catering facilities and provides the equipment for catering. In addition, the contractor pays the United Nations a share of its gross sales, but not less than $500,000 per year. The United Nations utilizes a portion of this income to fund its expenditures relating to utilities and other costs associated with the catering operation.

IS3.9 The Department of Public Information provides coordination and management of the sale of United Nations publications carried out at Headquarters and Geneva, as well as for services to United Nations visitors. The objective of the Department is to provide the widest possible dissemination of information about the United Nations to the general public, while providing net revenues for the Organization from these operations.

1. United Nations Postal Administration operations

Table IS3.6 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Gross sales	24 955.4	20 625.3	(4 330.1)
Less			
(a) Payments for mail carrying and cancellation charges	2 550.0	2 750.0	200.0
(b) Refunds adjustments and commissions	1 650.0	900.0	(750.0)
Gross revenue	20 755.4	16 975.3	(3 780.1)
Less expenses against revenue	19 114.7	16 861.3	(2 253.4)
Net revenue	**1 640.7**	**114.0**	**(1 526.7)**

Table IS3.7 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
(a) Headquarters			
Gross revenue	11 222.4	8 965.2	(2 257.2)
Less expenses against revenue[a]	10 454.3	8 813.6	(1 640.7)
Net revenue	768.1	151.6	(616.5)
(b) European Office			
Gross revenue	9 533.0	8 010.1	(1 522.9)
Less expenses against revenue	8 660.4	8 047.7	(612.5)
Net revenue	872.6	(37.6)	(910.4)
Total gross revenue	20 755.4	16 975.3	(3 780.1)
Less total expenses against revenue	19 114.7	16 861.3	(2 253.4)
Total net revenue	**1 640.7**	**114.0**	**(1 526.7)**

[a] Including expenditures of the Commercial Activities Service relating to management of the United Nations Postal Administration operations.

Table IS3.8 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	1998-1999 expenditure	2000-2001 appropriation	Resource growth		Total before recosting	Recosting	2002-2003 estimate
			Amount	Percentage			
Posts	10 290.4	10 341.2	(1 376.4)	(13.3)	8 964.8	640.2	9 605.0
Other staff costs	2 610.2	2 379.3	(186.9)	(7.8)	2 192.4	73.4	2 265.8
Non-staff compensation	153.1	163.5	(15.2)	(9.2)	148.3	4.2	152.5
Consultants and experts	97.3	152.7	(24.8)	(16.2)	127.9	(0.4)	127.5
Travel of staff	241.0	214.5	(57.5)	(26.8)	157.0	8.6	165.6
Contractual services	3 632.8	4 163.3	(927.8)	(22.2)	3 235.5	57.2	3 292.7
General operating expenses	1 055.1	1 030.9	(221.6)	(21.4)	809.3	20.4	829.7
Hospitality	16.1	14.9	-	-	14.9	(0.1)	14.8
Supplies and materials	303.0	410.9	(117.7)	(28.6)	293.2	5.7	298.9
Furniture and equipment	259.5	243.5	(137.2)	(56.3)	106.3	2.5	108.8
Total	**18 658.5**	**19 114.7**	**(3 065.1)**	**(16.0)**	**16 049.6**	**811.7**	**16 861.3**

Table IS3.9 **Post requirements**

Category	Established regular budget posts		Temporary posts				Total	
			Regular budget		Extrabudgetary			
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
Professional and above								
D-1	1	1	-	-	-	-	1	1
P-5	1	1	-	-	-	-	1	1
P-4/3	7	5	-	-	-	-	7	5
P-2/1	1	-	-	-	-	-	1	-
Subtotal	**10**	**7**	**-**	**-**	**-**	**-**	**10**	**7**
General Service								
Principal level	6	6	-	-	-	-	6	6
Other level	52	47	-	-	-	-	52	47
Subtotal	**58**	**53**	**-**	**-**	**-**	**-**	**58**	**53**
Total	**68**	**60**	**-**	**-**	**-**	**-**	**68**	**60**

IS3.10 In line with the objectives of subprogramme 24.4, Support services, of programme 24, Management and central support services, of the medium-term plan, UNPA will continue to publicize the work and achievements of the United Nations and the specialized agencies through philatelic sales while at the same time generating revenue.

IS3.11 The activities are directed by the Office of the Chief, Commercial Activities Service, with common services, such as stamp design and computer-related functions, being coordinated through the UNPA Global Office. The responsibility for the operational aspects of Geneva and Vienna have been decentralized to the UNPA European Office at Vienna. That decentralization of operations has enabled enhanced monitoring of the activities of the European Office through the Division of Administration and Common Services of the United Nations Office at Vienna.

IS3.12 In the biennium 2002-2003 UNPA will continue to seek greater cooperation with national postal administrations, in particular with respect to the availability of United Nations philatelic material through their commercial outlets. Such cooperation had been encouraging, and it was on the basis of those contacts that income projections for the biennium 2000-2001 were maintained at a higher level than the overall decline in the market would otherwise have warranted. However, owing to overall unfavourable conditions in the philatelic market, which is in a downturn phase, some of the agreed preliminary arrangements have been terminated or have been held in abeyance to await further developments in the market. These unfavourable events have significantly affected gross sales. For its part, the level of gross revenue has suffered not only from the reduction in gross sales but also from an increase in rates for pouch and mail services introduced by the postal administration of the host country.

IS3.13 The total estimates of gross revenue projected by the UNPA offices of $16,975,300 are presented in table IS3.6. This reflects the continuing static or general decline experienced in the philatelic industry, as a result of a worldwide economic downturn affecting these products. In particular, there are significant changes in the composition of the market in general: the secondary market is in a state of flux, with dealers consolidating their operations, particularly in the European region. In this respect, at least two major dealers ceased operations in 2000-2001. Furthermore, there is uncertainty over the full impact on revenues of the introduction of Euro-only stamps in 2002, since there is a significant customer base for collectors of stamps in Austrian schillings.

IS3.14 A further exacerbating factor is that the worldwide collector base is downsizing. This trend is compounded by a significant change in societal habits away from long-term hobbies towards a short-term, virtual/instant gratification emphasis experienced in the last few years. A further compounding factor is that the emphasis of most national postal administrations is on mail carrying, with stamp collecting being only a relatively minor element in the overall financial picture, while for the United Nations the collection and non-use of stamps is a prevailing objective.

IS3.15 With a view to mitigating those effects in the region serviced by UNPA at Headquarters, agreement has been reached with the host country and regional representatives to represent UNPA in their markets on a commission basis. UNPA also continues its efforts to expand operations in philatelic markets in other regions. As part of those efforts, UNPA continues its review of contractual arrangements with philatelic dealers and distributors in an effort to minimize the basic infrastructure costs. Furthermore, UNPA intends to introduce at Headquarters the concept of personalized stamps. These have proved to be very popular at international stamp shows and it is expected that the personalized stamps will be favourably accepted by some 400,000 tourists who visit the Headquarters district every year.

Outputs

IS3.16 During the biennium 2002-2003, the following outputs will be delivered:

(a) Other substantive activities: printing of philatelic materials. Issuance of United Nations postage stamps and postal stationery, including the subject, design and quantity to be printed; and security and archival safe keeping of postal stocks;

(b) International cooperation and inter-agency coordination and liaison: external relations. Maintaining liaison with the postal authorities of the United States of America, Switzerland, Austria and other countries regarding postal and philatelic regulations and procedures; and maintaining liaison with UPU regarding philatelic and postal regulations and procedures. In this latter connection, UNPA continues to strengthen its participation in activities of the World Association for the Development of Philately established by the Director-General of the Universal Postal Union in 1997;

(c) Administrative support services: marketing. Examination and introduction of new concepts in management and marketing approaches to increase gross sales; and review of current procedures with a view to enhancing efficiency and increasing net income.

Resource requirements (before recosting)

Posts

IS3.17 The estimated requirements of $8,964,800 relate to the combined costs of the Commercial Management Service and Postal Administration posts, as detailed in table IS3.9 above. The proposals reflect the following post reductions:

(a) The abolition of one P-3, one P-2 and one General Service (Other level) posts in the Commercial Activities Service, as a result of streamlining. The functions of these posts were related to the administration of contracts, which is now largely outsourced. The remaining monitoring and other administrative functions have been assumed by General Service staff in UNPA;

(b) The abolition of one P-3 and three General Service (Other level) posts in the UNPA New York Office. These abolitions reflect a reduction in the level of the operation in general and realignment of functions in the Office to concentrate on marketing and operational aspects. The remaining management and representational functions previously attached to the P-3 post are subsumed into the functions of the Head of the UNPA New York Office;

(c) The abolition of one General Service (Other level) post in the Vienna office of UNPA. Following a review of the functions of the post, it has been determined that most of the functions are duplicative of the marketing and promotion responsibilities already incorporated into a contract with an outside company.

Other staff costs

IS3.18 The requirement of $2,192,400, reflecting a decrease of $186,900, includes: (a) a provision of $36,900 to cover general temporary assistance to meet peak workload requirements of the UNPA Global Office at Headquarters; (b) a provision of $2,068,500 to engage the services of hourly paid workers to perform order processing and preparation of philatelic material for dispatch from Headquarters and the European Office; and (c) requirements for overtime during stamp exhibitions, the sale of first day of issue stamps, and other periods of peak workload for the Postal Administration as a whole ($87,000).

Non-staff compensation

IS3.19 The requirement of $148,300, reflecting a decrease of $15,200, provides for design artwork for philatelic stamps and promotional materials.

Consultants and experts

IS3.20 The requirement of $127,900, reflecting a decrease of $24,800, provides for special services and research not available internally in product marketing and promotion at the European Office.

Travel of staff

IS3.21 The requirement of $157,000, reflecting a decrease of $57,500, covers travel of UNPA staff for promotional and representational activities with respect to establishing cooperation with national postal administrations, maintaining contact with international and national philatelic organizations,

developing new sources for the distribution of United Nations postage stamps, representation at major international philatelic shows and coordination of the activities of the UNPA offices. The decrease reflects the prioritization of travel.

Contractual services

IS3.22 The requirements of $3,235,500, reflecting a decrease of $927,800 cover: (a) the consolidated cost of printing stamps ($1,686,700) in all UNPA offices; (b) the overall programmes for advertising and promotional activities ($1,513,200) and (c) requirements for contractual software applications and support for workstations ($35,600). The decrease of $927,800 reflects a lower level of requirements due to the downsizing of activities in general as explained in paragraphs IS3.12 to IS3.14 above.

General operating expenses

IS3.23 The requirement of $809,300, reflecting a decrease of $221,600, covers maintenance of office automation equipment ($130,100), communications costs ($238,700) and miscellaneous services, including stamp affixing and insurance requirements and the cost of stock delivery to dealers and of promotional mailings, envelopes, posters and circulars ($440,500).

Hospitality

IS3.24 The requirements of $14,900, at the maintenance level, are for hospitality in the context of the promotional activities with philatelic associations and government officials planned as part of the marketing strategy.

Supplies and materials

IS3.25 The requirements of $293,200, reflecting a decrease of $117,700, cover the cost of office supplies, customer statements and other materials required. The reduction under this heading is based on actual levels of expenditure.

Furniture and equipment

IS3.26 The requirements of $106,300, reflecting a decrease of $137,200, provide for the purchase of additional office equipment for the UNPA offices and the replacement of existing office automation equipment estimated on the basis of standards for such replacement currently in force.

2. Sale of United Nations publications

Table IS3.10 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Gross sales	18 569.4	19 222.8	653.4
Less cost of goods sold	5 412.0	4 961.4	(450.6)
Gross revenue	13 157.4	14 261.4	1 104.0
Less expenses against revenue	10 481.9	10 737.7	255.8
Net revenue	**2 675.5**	**3 523.7**	**848.2**

Table IS3.11 Estimates of gross and net revenue by organizational unit

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
(a) Headquarters			
Gross revenue	10 104.4	10 652.8	548.4
Less expenses against revenue	8 834.4	8 777.8	(56.6)
Net revenue	1 270.0	1 875.0	605.0
(b) Bookshop, Headquarters			
Gross revenue	3 505.6	3 586.1	80.5
Less expenses against revenue	2 553.6	2 545.6	(8.0)
Net revenue	952.0	1 040.5	88.5
(c) Geneva			
Gross revenue	4 959.4	4 983.9	24.5
Less expenses against revenue	4 505.9	4 375.7	(130.2)
Net revenue	453.5	608.2	154.7
Total gross revenue	18 569.4	19 222.8	653.4
Less total expenses against revenue[a]	15 893.9	15 699.1	(194.8)
Total net revenue	**2 675.5**	**3 523.7**	**848.2**

[a] Including the cost of goods sold.

Table IS3.12 Estimates of gross and net revenue by object of expenditure

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Posts	5 940.3	5 548.1	-	-	5 548.1	365.5	5 913.6
Other staff costs	1 116.1	492.1	(49.8)	(10.1)	442.3	22.1	464.4
Travel of staff	64.9	88.7	(4.7)	(5.2)	84.0	4.6	88.6
Contractual services	1 016.1	2 315.5	(83.5)	(3.6)	2 232.0	92.0	2 324.0
General operating expenses	1 558.2	1 669.0	(132.2)	(7.9)	1 536.8	67.8	1 604.6
Hospitality	-	4.4	-	-	4.4	0.1	4.5
Supplies and materials	58.1	136.6	(37.7)	(27.5)	98.9	3.9	102.8
Furniture and equipment	146.5	227.5	(2.0)	(0.8)	225.5	9.7	235.2
Other[a]	4 189.8	5 412.0	(660.2)	(12.1)	4 751.8	209.6	4 961.4
Total	**14 090.0**	**15 893.9**	**(970.1)**	**(6.1)**	**14 923.8**	**775.3**	**15 699.1**

[a] Including the cost of goods sold.

Table IS3.13 **Post requirements**

Category	Established regular budget posts		Temporary posts: Regular budget		Temporary posts: Extrabudgetary		Total	
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
Professional and above								
P-5	1	1	-	-	-	-	1	1
P-4/3	3	3	-	-	-	-	3	3
P-2/1	2	2	-	-	-	-	2	2
Subtotal	**6**	**6**	-	-	-	-	**6**	**6**
General Service								
Principal level	2	2	-	-	-	-	2	2
Other level	25	25	-	-	-	-	25	25
Subtotal	**27**	**27**	-	-	-	-	**27**	**27**
Total	**33**	**33**	-	-	-	-	**33**	**33**

IS3.27 The activities programmed under this heading relate to one of the objectives of subprogramme 23.4, Publication services, of programme 23, Public information, of the medium-term plan for 2002-2005, as revised (A/55/6/Rev.1), which aims to increase readership of United Nations publications in all formats, to broaden general understanding of its activities and to develop support for the Organization. The subprogramme supports this goal through the promotion and sale of United Nations publications including general marketing and sale of reports, books, periodicals, documents, microforms, databases, videos and CD-ROMs, as well as other electronic products. The activities, including the bookshop operation in New York and the book and gift shop operation in Geneva, are carried out by the Sales and Marketing Section, Headquarters, and the Sales Unit at Geneva under the direction of the Library and Information Resources Division of the Department of Public Information. The subprogramme also coordinates the external publications activities, which are produced by international commercial publishers of United Nations books, studies, documents and reports. A related aim of the subprogramme is to generate profits for the Organization without adversely affecting the widest possible dissemination of United Nations information to the public.

IS3.28 The Publications Board, under the chairmanship of the Under-Secretary-General for Public Information, has overall responsibility for the establishment and execution of the publications programme, including production, costing and determining the policies governing the sale of published materials.

IS3.29 The biennium 2000-2001 has seen a continuation in the trend towards increased income. This can be attributed to an increase in the products available for sale as a result of the distribution of publications produced by United Nations programmes and funds, as well as extrabudgetary publications, and a significant increase in the release of volumes of the United Nations *Treaty Series*. Additionally, more significant income is starting to be generated by a number of electronic products, such as the *Treaty Series* online. Promotional activities have also been expanded, notably through the use of the Internet and through the increased promotion of language editions of publications. These new developments have helped to enhance the traditional methods of promotion, such as direct mailings, advertising and promotional exhibits. In the biennium 2002-2003, the Division will further intensify promotional activities and explore possibilities for

expanding the line of publications and electronic products for sale to libraries, academic and research organizations and institutions and the general public.

Activities

IS3.30 During the biennium 2002-2003 the following activities will be undertaken:

(a) Other substantive activities

(i) Sale of United Nations publications, documents, reports, books, periodicals, microforms, video databases and other published materials;

(ii) Promotional activities: journal advertisements, direct marketing brochures, sales catalogues, Internet web pages, promotional exhibits at conferences and meetings, email newsletters and other activities and products relating to the advertising and promotion of United Nations publications;

(iii) Development of United Nations publications and souvenir items with a general appeal that promote the Organization and have revenue potential;

(b) Administrative support services

(i) Supervision of the United Nations bookshop in New York and the book and gift shop in Geneva;

(ii) Readership surveys and market analysis aimed at providing author departments with feedback on their publications and assessing the effectiveness of promotional activities.

Resource requirements (before recosting)

Posts

IS3.31 The requirements of $5,548,100 relate to the continuation of 33 posts at Headquarters and Geneva.

Other staff costs

IS3.32 The requirement of $442,300, reflecting a decrease of $49,800, covers: (a) general temporary assistance requirements ($406,000) for replacements during extended leave of staff and additional staff requirements, in particular in the area of sales through the Internet and temporary hiring for advertising copywriters and designers for special work on Internet design, direct-mail pieces, electronic publishing, video, CD-ROM and souvenir items and undertaking market studies; (b) overtime ($17,800) at both Headquarters and Geneva; and (c) $18,500 for the engagement of the services of individuals under special service agreements to undertake marketing studies and focus group surveys to assist author departments in the evaluation of their products, and to assess the effectiveness of sales activities.

Travel of staff

IS3.33 The requirement of $84,000, reflecting a decrease of $4,700, relates to travel of the staff of both the Headquarters and Geneva units in connection with attendance at exhibits, planned visits to sales agents, universities and libraries worldwide and to market focus groups, with a view to promoting and disseminating information about United Nations publications.

Contractual services

IS3.34 The requirements under this heading ($2,232,000), reflecting a decrease of $83,500, represent the combined costs of: (a) direct-mail advertising placement of advertisements in the media, including journals, newspapers, radio, brochures and catalogues, rental of exhibit space, Internet service fees and expenses related to selective use of advertising and promotion agencies for United Nations publications both at Headquarters and Geneva ($1,045,100); and (b) requirements of $328,000 at Geneva, and $858,900 at Headquarters relating to bookshop operations by outside contractors.

General operating expenses

IS3.35 The requirements of $1,536,800, reflecting a decrease of $132,200, provide for general operating expenses at both Headquarters and Geneva for: (a) rental and maintenance of electronic data-processing, office automation and other equipment, relating to both the sale of publications and bookshop operations ($188,500); (b) communications requirements to cover pouch, postage and other mailing and shipping costs associated with sales operations at both Headquarters and Geneva ($937,400); and (c) requirements for miscellaneous services to cover freight costs, bank fees and other miscellaneous requirements ($410,900).

Hospitality

IS3.36 Hospitality requirements ($4,400), at the maintenance level, are associated with the launching of new publications and an annual promotional reception for customers of United Nations publications.

Supplies and materials

IS3.37 A provision of $98,900, reflecting a decrease of $37,700, covers electronic data-processing supplies, other office supplies, sales support materials such as customer packing slips, invoices, account statements, paper bags, carrier bags, wrapping paper, shipping boxes and exhibition kits both at Headquarters and Geneva. The decrease is based on expenditure experience.

Furniture and equipment

IS3.38 The requirements under this heading ($225,500) relate to the acquisition of office automation equipment to develop sales over the Internet through commerce facilities and electronic products, as well as for the acquisition and replacement of office fixtures, cash machines and other equipment required for operating the sales of publications at both Headquarters and Geneva.

Other

IS3.39 Requirements of $4,751,800 cover the costs of design, editing and production of publications, purchase of books and other publications from other United Nations agencies for resale, and the inventory requirements for both Headquarters and Geneva. Also included are the costs associated with marketing and development of electronic products and the maintenance and upgrading of those that are currently being offered for sale. The line is also used for the development of publications of a more general nature which promote the work of the Organization and are deemed to have strong sales potential, including products on specific events of the United Nations. The decrease of $660,200 reflects the actual expenditure pattern for the last period.

3. Services to visitors

Table IS3.14 Estimates of gross and net revenue

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Headquarters			
Gross revenue	5 561.1	6 286.1	725.0
Less expenses against revenue	6 783.6	7 113.5	329.9
Net revenue	(1 222.5)	(827.4)	395.1
Geneva			
Gross revenue	1 012.4	957.2	(55.2)
Less expenses against revenue	1 481.3	1 491.4	10.1
Net revenue	(468.9)	(534.2)	(65.3)
Vienna			
Gross revenue	148.3	126.3	(22.0)
Less expenses against revenue	533.2	542.7	9.5
Net revenue	(384.9)	(416.4)	(31.5)
Total gross revenue	6 721.8	7 369.6	647.8
Less total expenses against revenue	8 798.1	9 147.6	349.5
Total net revenue	**(2 076.3)**	**(1 778.0)**	**298.3**

Table IS3.15 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Posts	3 122.6	3 509.1	--	--	3 509.1	56.8	3 565.9
Other staff costs	3 951.2	4 855.0	(54.7)	(1.1)	4 800.3	229.3	5 029.6
Travel of staff	4.0	4.4	(0.4)	(9.0)	4.0	0.2	4.2
Contractual services	195.5	214.5	12.3	5.7	226.8	8.3	235.1
General operating expenses	16.6	21.9	32.8	149.7	54.7	2.5	57.2
Hospitality	0.3	4.4	(0.2)	(4.5)	4.2	0.2	4.4
Supplies and materials	70.0	116.3	(5.8)	(4.9)	110.5	5.3	115.8
Furniture and equipment	30.0	72.5	59.9	82.6	132.4	3.0	135.4
Total	**7 390.2**	**8 798.1**	**43.9**	**0.4**	**8 842.0**	**305.6**	**9 147.6**

Table IS3.16 **Post requirements**

Category	Established regular budget posts		Temporary posts				Total	
			Regular budget		Extrabudgetary			
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
Professional and above								
P-4/3	4	4	–	–	–	–	4	4
P-2/1	2	2	–	–	–	–	2	2
Subtotal	6	6	–	–	–	–	6	6
General Service								
Other level	15	15	–	–	–	–	15	15
Subtotal	15	15	–	–	–	–	15	15
Total	21	21	–	–	–	–	21	21

IS3.40 The activities relating to servicing of visitors fall under the responsibility of the Department of Public Information. The objective is to promote an informed understanding of the purpose and role of the United Nations to the widest possible audience and to increase the visibility and viability of the United Nations Headquarters and the Offices at Geneva and Vienna as attractions for the general public and specialized groups.

IS3.41 The ability of the guided tour operations to generate revenue has been severely hampered for several years. Since 1993, heightened security measures at Headquarters, Geneva and Vienna have had serious and adverse implications for the operation, as the maximum number of people per guide has been reduced. Subsequently, the overall number of visitors rose in 1995, reflecting general interest in the United Nations on the occasion of its fiftieth anniversary. That upward trend has continued through 1999 at Headquarters but at Geneva and Vienna it has developed in the opposite direction, as can be seen in table IS3.17.

Table IS3.17 **Actual and estimated number of tour participants**

	Headquarters	Geneva	Vienna
1990	496 229	144 210	71 250
1991	473 570	123 772	68 008
1992	474 430	113 955	69 159
1993	415 641	122 633	61 735
1994	389 610	114 594	59 334
1995	415 247	149 784	51 125
1996	420 370	111 979	50 371
1997	415 681	119 101	49 089
1998	431 241	120 394	47 816
1999	437 062	91 375	45 646
2000	388 421	82 217	43 000
2001 (estimate)	399 530	120 000	44 000
2002 (estimate)	403 570	120 000	44 000
2003 (estimate)	407 600	120 000	46 000

IS3.42 As indicated in paragraph IS3.2 above, the review undertaken in the area of the visitor's experience at Headquarters has identified a number of measures for improving those operations and increasing the related revenues. One of the measures is to raise ticket prices for tourists to have them in line with the ticket prices of the comparator institutions. Taking into consideration rising operational costs, an increase in ticket prices is planned for each year of the 2002-2003 biennium for all categories of visitors taking the guided tour at Headquarters. Admission fees for 2002 will be as follows: adults $8.50; senior citizens $7.00; students $6.00; and children $5.00; and for the year 2003: $10.00, $7.50, $6.50; and $5.50 respectively. Of the total number of visitors, approximately 44 per cent are expected to be adults, 9 per cent senior citizens, 45 per cent students and children. Approximately 2 per cent of the tickets issued to travel agents, school chaperones, media representatives, members of delegations and United Nations staff members are complimentary.

IS3.43 At the United Nations Office at Geneva, guided tour operations declined significantly in 1999 owing to tightened security and the concomitant closure of the compound to visitors, compounded by external factors, such as the closure of the Mont Blanc Tunnel due to a fatal fire on 23 March 1999. The declining trend continued through 2000. The visitors' service at the United Nations Office at Geneva is implementing various measures to restore the number of visitors to pre-1999 levels, such as a video introduction to the tours. The technology used in the video will allow the visitor to listen in one of various languages. The Service has established contacts with the Swiss authorities in order to create a cooperative system to improve the training of its guides, with more comprehensive coverage of most requested languages, workshops, re-editing of brochures, creation of a web site, new electronic and visual aids, extensive mailing to schools in Switzerland and realization of a new introductory video on the role of the United Nations Office at Geneva. No increase in entrance fees is envisaged during this biennium.

IS3.44 At Vienna, the number of visitors, mainly tourists and schoolchildren, to the Vienna International Centre has been declining for the past decade. While admission fees charged to the public have not changed since 1994 in order to maintain a rate comparable to other city-wide tourist attractions, the municipal educational authorities have been increasingly unwilling to pay for the group tour for schoolchildren, reducing significantly visitation by that category of tourists. The visitor service at the United Nations Office at Vienna is reviewing various measures to intensify promotion of the United Nations site at Vienna and increase its visibility. The current rates will be maintained during the biennium 2002-2003.

Outputs

IS3.45 During the biennium, the following outputs will be delivered:

Other substantive activities

(i) Organization and conducting of year-round exhibits and guided lecture tours of and group visits to United Nations Headquarters and the Offices at Geneva and Vienna in approximately 20 languages;

(ii) Organization of briefing programmes and workshops on various United Nations issues for visiting groups;

(iii) Organization of speaking engagements by Secretariat officials in response to requests from academic institutions, non-governmental organizations and other interested groups away from Headquarters;

(iv) Organization of videoconferences linking groups away from Headquarters with Secretariat and delegation officials at Headquarters;

(v) Promotional events, such as special programmes for school groups or gatherings for tourism industry representatives, aimed at attracting more visitors to the United Nations and broadening their understanding of the work of the Organization.

Resource requirements (before recosting)

Posts

IS3.46 The requirements of $3,509,100 provide for the continuation of 21 posts in the public services units of the Department of Public Information at Headquarters, Geneva and Vienna, as detailed in table IS3.16 above.

Other staff costs

IS3.47 The requirements of $4,800,300, reflecting a decrease of $54,700, cover the costs of: (a) salaries of 16 full-time public information assistants, 4 tour coordinators, 1 senior tour coordinator, 1 briefing assistant and 1 clerical support staff at Headquarters; and the contracts, on an hourly basis, for 24 guides and 1 cashier in Vienna and 10 guides and 1 cashier in Geneva ($2,825,500); (b) the recruitment of guides under special service agreements in varying numbers, depending on the time of year, at Headquarters ($1,969,900); and (c) the provision of $4,900 for overtime in connection with the operation of the services on holidays. The decrease ($54,700) is attributable to past expenditure patterns.

Travel of staff

IS3.48 The requirement of $4,000 provides for travel for consultations with the Visitors' Services in Geneva and Vienna on issues related to the development of the services, and on operational cost-effectiveness, visitor flow and income-generating and promotional activities.

Contractual services

IS3.49 The requirements of $226,800, reflecting an increase of $12,300, provide for: (a) the cost of printing information booklets, brochures and pamphlets for distribution to visitors, tourist boards, travel agencies and other relevant institutions ($5,800); and (b) costs relating to publicizing and promoting visits to the United Nations, including the printing and distribution of promotional brochures and other materials advertising in travel and tourism industry publications and updating United Nations exhibits ($221,000). The increase of $12,300 reflects efforts to intensify advertisement at Geneva to increase the number of visitors.

General operating expenses

IS3.50 The requirements of $54,700 reflecting an increase of $32,800, relate to the maintenance of office automation equipment ($32,800), cash registers, videotape players and monitors and exhibits along the guided tour route ($16,000) as well as miscellaneous services which include modifications to the tour ticket and dispatch counters, brochure racks and related items ($5,900).

Hospitality

IS3.51 The hospitality requirement of $4,200 covers the costs of events aimed at enhancing contacts with the New York City tourism industry, with a view to increasing the number of visitors to Headquarters and generating interest in improving the guided tour route.

Supplies and materials

IS3.52 The requirements of $110,500, reflecting a decrease of $5,800, cover the purchase of office supplies and related expenses ($29,200) and the replacement cost of the guides' uniforms at Headquarters and Vienna ($81,300).

Furniture and equipment

IS3.53 The requirement of $132,400, reflecting an increase of $59,900, covers: (a) the acquisition of software for central support and the replacement of office automation equipment at Headquarters ($41,100); (b) the acquisition and replacement of video and other exhibit materials and equipment, including a projector, video cassette recorders and microphones in Vienna ($26,400); and (c) the general improvement of the visitors' area in Geneva, including electronic information panels, a new 20-minute video narrated in nine languages, and a new headphone system to allow multilingual individual listening ($64,900).

4. Sale of statistical products

Table IS3.18 Estimates of gross and net revenue

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Gross revenue	928.0	949.3	21.3
Less expenses against revenue	844.5	895.4	50.9
Net revenue	**83.5**	**53.9**	**(29.6)**

Table IS3.19 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Other staff costs	214.9	257.3	28.4	11.0	285.7	15.6	301.3
Consultants and experts	160.9	179.4	27.0	15.0	206.4	11.3	217.7
Travel of staff	105.9	130.8	100.6	76.9	231.4	12.7	244.1
Contractual services	152.4	263.8	(203.6)	(77.1)	60.2	3.3	63.5
General operating expenses	0.9	5.0	2.5	50.0	7.5	0.4	7.9
Supplies and materials	9.1	-	7.5	-	7.5	0.4	7.9
Furniture and equipment	0.9	8.2	42.1	513.4	50.3	2.7	53.0
Total	**645.0**	**844.5**	**4.5**	**0.5**	**849.0**	**46.4**	**895.4**

IS3.54 During the biennium 2002-2003, the sales activities of the Statistics Division of the Department of Economic and Social Affairs under this section will complement the work of subprogramme 7.5, Statistics, of programme 7, Economic and social affairs, of the medium-term plan for the period 2002-2005, as revised. The activities will aim at enhancing international statistical development and coordination and the collection, compilation and dissemination of statistical data. The

activities are expected to be self-supporting from revenues generated by sales of statistical publications, data and services.

Resource requirements (before recosting)

Other staff costs

IS3.55 The requirement of $285,700, reflecting an increase of $28,400, provides for 48 work-months of General Service staff to provide secretarial and administrative support and data collection.

Consultants

IS3.56 The requirement of $206,400, reflecting an increase of $27,000, covers the recruitment of consultants to assist in the data improvement project for better quality and a larger volume of comtrade data, as well as in the development of client/server applications for the purpose of these activities.

Travel of staff

IS3.57 The requirement of $231,400, including an increase of $100,600, covers the travel of staff in connection with attendance at various meetings to consult with other agencies and institutions on statistical data, databases and products.

Contractual services

IS3.58 The requirement of $60,200 covers the cost of preparing a CD-ROM sold jointly with the International Trade Centre and the World Bank/Statistical Division Internet site to increase sales of statistical data. The decrease of $203,600 is mainly due to adjusted future requirements.

General operating expenses

IS3.59 The requirement of $7,500 covers the cost of mailing tapes, diskettes and CD-ROMs to customers.

Supplies and materials

IS3.60 The requirement of $7,500 covers the costs of computer supplies, such as diskettes and other expendable material.

Furniture and equipment

IS3.61 The requirement of $50,300, reflecting an increase of $42,100, covers the acquisition of a development server for Comtrade, software licences, and an Internet server.

5. Sale of gift items

Table IS3.20 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Headquarters Gift shop			
Gross revenue	1 825.0	1 825.0	-
Less expenses against revenue	-	-	-
Net revenue	1 825.0	1 825.0	-
ESCAP Gift shop			
Gross revenue	-	20.9	20.9
Less expenses against revenue	-	17.0	17.0
Net revenue	-	3.9	3.9
Total gross revenue	1 825.0	1 845.9	20.9
Less total expenses against revenue	-	17.0	17.0
Total net revenue	**1 825.0**	**1 828.9**	**3.9**

IS3.62 The gift shop at Headquarters provides staff, members of delegations in New York and visitors with United Nations mementoes and souvenirs, as well as handicrafts and other souvenirs from around the world. The gift shop at Headquarters is operated by a contractor who is required to provide the United Nations with a percentage of gross sales. For the biennium 2002-2003, the net income is expected to remain stable at $1,825,000. Under the terms of the arrangements, no direct operational costs are incurred by the Organization. Premises are provided by the United Nations, while utility charges are billed to the contractor.

IS3.63 ESCAP maintains a gift and souvenir shop which operates only during conferences, meetings and other events. It is estimated that an income of $20,900 will be generated during the biennium 2002-2003. The resources of $17,000 are required to maintain the inventory of goods sold at the shop.

6. News-stand operations

Table IS3.21 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Revenue	200.0	200.0	-
Total	**200.0**	**200.0**	-

IS3.64 The news-stand, located in the Secretariat building, provides delegations and staff with newspapers, magazines and sundry items and is operated by a concessionaire. Under the current agreement, the current contractor pays the United Nations $100,000 yearly and 15 per cent of gross receipts above $700,000. The income from this activity is expected to remain at $200,000 for the 2002-2003 biennium. This is a conservative estimate, since it is expected that, after the news-stand

operation expands later in the biennium to a location already identified for this purpose, it will generate additional revenue.

7. Garage operations

Table IS3.22 **Estimates of gross and net revenue**

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Headquarters			
Gross revenue	2 080.2	2 214.9	134.8
Less expenses against revenue	896.7	1 244.2	347.5
Net revenue	1 183.5	970.7	(212.7)
Geneva			
Gross revenue	322.3	343.4	21.1
Less expenses against revenue	323.3	342.8	19.5
Net revenue	(1.0)	0.6	1.6
Vienna			
Gross revenue	445.0	-	-
Less expenses against revenue	446.6	-	-
Net revenue	(1.6)	-	-
Bangkok			
Gross revenue	-	78.4	78.4
Less expenses against revenue	-	57.1	57.1
Net revenue	-	21.3	21.3
Total gross revenue	2 847.4	2 636.7	(210.7)
Less total expenses against revenue	1 666.6	1 644.1	(22.5)
Total net revenue	**1 180.8**	**992.6**	**(188.2)**

Table IS3.23 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Posts	893.7	884.1	-	-	884.1	53.7	937.8
Other staff costs	455.2	380.4	(306.4)	(80.5)	74.0	0.7	74.7
General operating expenses	218.5	234.7	342.7	146.0	577.4	31.4	608.8
Supplies and materials	26.9	167.4	(145.6)	(86.9)	21.8	1.0	22.8
Furniture and equipment	1.0	-	-	-	-	-	-
Grants and contributions	0.2	-	-	-	-	-	-
Total	**1 595.5**	**1 666.6**	**(109.3)**	**(6.5)**	**1 557.3**	**86.8**	**1 644.1**

Table IS3.24 **Post requirements**

Category	Established regular budget posts		Temporary posts: Regular budget		Temporary posts: Extrabudgetary		Total	
	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003	2000-2001	2002-2003
General Service								
Other level	4	4	-	-	-	-	4	4
Subtotal	4	4	-	-	-	-	4	4
Other categories								
Security Service	2	2	-	-	-	-	2	2
Subtotal	2	2	-	-	-	-	2	2
Total	6	6	-	-	-	-	6	6

IS3.65 The garage operations at Headquarters, Geneva, Vienna and Bangkok provide, under conditions and at rates established by the United Nations, parking facilities for delegates and staff. The garage operation in Vienna, under the responsibility of the United Nations Office at Vienna since 1994, is a jointly financed activity under a cost-sharing arrangement with IAEA and UNIDO. As such, starting 1 January 2002, the operation will no longer be reported under this section. Its financial administration will be entirely handled locally by the United Nations Office at Vienna under supervision of the Vienna International Centre Consultative Committee on Common Services.

Resource requirements (before recosting)

Posts

IS3.66 The requirements $884,100 provide for the continuation of four General Service (Other level) posts and two Security Service posts, including (a) two General Service (Other level) posts and two Security Service posts at Headquarters and (b) two General Service (Other level) posts at Geneva, in both cases to be responsible for the issuance of parking permits and decals, for the maintenance of databases of permit holders and applicants from both the permanent missions of Member States and the staff, and for the patrolling of the garage premises.

Other staff costs

IS3.67 The requirements, $74,000, reflecting a decrease of $306,400, relate to: (a) a provision of general temporary assistance ($54,600) to fund the positions of a local security guard at the garage operation in Bangkok, and (b) provision of overtime ($19,400) for the Garage Administration at Headquarters to meet extended working time requirements, in particular during the sessions of the General Assembly. The decrease of $306,400 reflects the effect the separation from this section of the garage operation at Vienna as detailed in paragraph IS3.65 above.

General operating expenses

IS3.68 The requirements under this heading, $577,400, reflecting an increase of $342,700, cover: (a) a provision for outside contractors to provide for miscellaneous maintenance services required in the garage operation at Headquarters ($176,200); (b) the cost of minor maintenance of the garage in Bangkok ($1,200); and (c) a non-recurrent provision of $400,000 to cover the costs of painting the garage at Headquarters.

Supplies and materials

IS3.69 The estimated requirements of $21,800, reflecting a decrease of $145, 600, relate to supplies and materials required for the garage operations at Headquarters, Geneva and Bangkok, such as parking tickets, receipts, stickers and specialized laminated supplies. The reduction reflects the actual patterns of expenditure for the past period.

8. Catering operations

Table IS3.25 **Estimates of gross and net revenue**

(Thousand of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Catering, Headquarters			
Gross revenue	1 000.0	1 000.0	-
Less expenses against revenue	902.6	921.0	18.4
Net revenue	97.4	79.0	(18.4)
ESCAP cafeteria			
Gross revenue	-	20.9	20.9
Less expenses against revenue	-	17.9	17.9
Net revenue	-	3.0	3.0
Total gross revenue	1 000.0	1 020.9	20.9
Less total expenses against revenue	902.6	938.9	36.3
Total net revenue	**97.4**	**82.0**	**(15.4)**

Table IS3.26 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropri-ation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Other staff costs	-	149.3	-	-	149.3	8.1	157.4
General operating expenses	-	753.3	(5.3)	(0.7)	748.0	33.5	781.5
Total	**-**	**902.6**	**(5.3)**	**(0.5)**	**897.3**	**41.6**	**938.9**

IS3.70 Under the term of the contract with the United Nations, the contractor of the Headquarters cafeteria operation shares with the United Nations a portion of its gross sales, subject to a minimum of $500,000, which are then used to cover the expenditures associated with the catering operations. The catering operation at ESCAP is a self-supporting activity not intended to generate income.

Resource requirements (before recosting)

Other staff costs

IS3.71 The requirement of $149,300 covers general temporary assistance to administer and monitor the contract at Headquarters.

General operating expenses

IS3.72 The requirement of $748,000 relates to (a) the cost of utilities for the catering operation at Headquarters ($730,000) and (b) the maintenance of kitchen equipment and furniture in the ESCAP cafeteria ($18,000).

9. Other commercial operations

Table IS3.27 Estimates of gross and net revenue

(Thousands of United States dollars)

	2000-2001 approved estimates	*2002-2003 estimates*	*2002-2003 increase (decrease)*
Vienna commercial activities			
Gross revenue	60.1	63.7	3.6
Less expenses against revenue	18.7	18.5	(0.2)
Net revenue	41.4	45.2	3.8
ECA Conference Centre			
Net revenue	-	280.0	280.0
ESCAP Conference Centre			
Gross revenue	-	254.1	254.1
Less expenses against revenue	-	213.1	213.1
Net revenue	-	41.0	41.0
Total gross revenue	60.1	597.8	537.7
Less total expenses against revenue	18.7	231.6	212.9
Total net revenue	**41.4**	**366.2**	**324.8**

Table IS3.28 Summary of requirements by object of expenditure

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Other staff costs	-	18.7	137.2	733.7	155.9	(1.0)	154.9
Furniture and equipment	-	-	77.3	-	77.3	(0.6)	76.7
Total	**-**	**18.7**	**214.5**	**733.7**	**233.2**	**(1.6)**	**231.6**

IS3.73 The United Nations Postal Administration shop, United Nations promotions and exhibits, a coffee shop, a hairdresser and a flower shop occupy space on the premises of the Vienna International Centre's main entrance. The coffee shop, hairdresser and flower shop are administered by the United Nations and operated by contractors. These contractors reimburse the United Nations for all utility costs and also pay either a fixed annual fee or a percentage of their gross revenue to the United Nations Office at Vienna.

IS3.74 For the biennium 2002-2003, the total gross revenue to be received from the contractors is estimated at $63,700, generated by the coffee shop ($25,700), hairdresser ($17,000) and flower shop ($21,000).

IS3.75 In line with a recommendation of the Board of Auditors endorsed by the General Assembly in its resolution 53/204 of 18 December 1998, the ECA and ESCAP conference centres are established as separate cost centres. For the biennium 2002-2003, the total gross revenue of the ESCAP conference centre is estimated at $254,100, resulting from the rental of the conference centre to other organizations. Revenue resulting from the rental of the conference centre at ECA is estimated at $280,000.

Resource requirements (before recosting)

Other staff costs

IS3.76 The requirements of $155,900 cover the costs associated with administration of the commercial contracts for the operations described above, including (a) $18,700 for general temporary assistance provisions in Vienna; and (b) $137,200 for general temporary assistance and overtime provisions in Bangkok to provide funds equivalent to two local level posts for administrative activities related to the rental of the conference centre.

Furniture and equipment

IS3.77 The requirement of $77,300 covers the acquisition of conference-servicing and photocopying equipment for the conference centre at ESCAP, including a photocopy machine, digital printers, collators, wireless clip-in microphones, speakers, video recorders and a CD player.

B. Programme support

Revenue Accounts Unit

Table IS3.29 **Summary of requirements by object of expenditure**

(Thousands of United States dollars)

Object of expenditure	*1998-1999 expenditure*	*2000-2001 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2002-2003 estimate*
			Amount	*Percentage*			
Posts	542.6	699.1	-	-	699.1	46.2	745.3
Total	**542.6**	**699.1**	-	-	**699.1**	**46.2**	**745.3**

Table IS3.30 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2000-2001	*2002-2003*	*2000-2001*	*2002-2003*	*2000-2001*	*2002-2003*	*2000-2001*	*2002-2003*
Professional and above								
P-4/3	1	1	-	-	-	-	1	1
Subtotal	**1**	**1**	-	-	-	-	**1**	**1**
General Service								
Other level	3	3	-	-	-	-	3	3
Total	**4**	**4**	-	-	-	-	**4**	**4**

Resource requirements (before recosting)

Posts

IS3.78 The requirements of $699,100 provide for the continuation of one P-4 and three General Service (Other level) posts responsible for revenue accounting.

Table IS3.31 **Summary of follow-up action taken to implement relevant recommendations of the Advisory Committee on Administrative and Budgetary Questions**

Brief description of the recommendation	*Action taken to implement the recommendation*
Advisory Committee on Administrative and Budgetary Questions (A/54/7, chap. II)	
The Committee expressed concern about the payment of local taxes on the sale of gift items. It requested that the full implications of this development be analysed and that immediate steps be taken to revert to a situation where no such taxes are collected or paid (para. IS3.2).	The issue of the full implications of the collection of sales taxes in the Gift Centre is under review at the Secretariat. The findings and recommendations of the review will be reported to the General Assembly at a later stage.
The Committee recommended that immediate steps should be taken to ascertain the reasons for deterioration in the quality of service in the Delegates' Dining Room and the cafeteria at Headquarters and the apparent high cost of some items (para. IS3.5).	The caterer's performance is monitored regularly through the Headquarters Advisory Committee on Catering. Feedback from customers, including delegates, have been received and action has been taken accordingly. The Commercial Activities Service and the contractor are establishing new mechanisms (Intranet homepage) for receiving further feedback from customers and for advertising products. Price comparisons are routinely undertaken by the contractor with other food service facilities in the area and shared with the Commercial Activities Service.
Report of the Board of Auditors (A/55/5, chap. II)	
The Board recommended that UNPA should ensure that memoranda of agreement or contracts were concluded with all consignment agencies to protect the interests of the Organization (para. 298).	The United Nations Postal Administration strictly follows the guidelines that contracts, memoranda of agreement or letters of understanding are concluded with all consignment agencies for commercial activities.

Brief description of the recommendation	*Action taken to implement the recommendation*
The Board recommends that the Administration should conduct jointly with the contractor an inventory of the stock of the United Nations news-stand at the earliest opportunity (para. 302).	In connection with the conclusion of the former contract for the operation of the news-stand, the Commercial Activities Services notified the contractor before expiration of the contract on 31 December 2000 that there was a requirement for incoming and outgoing stock inventory. No response has been received from the contractor. While the contract with that contractor has expired, the Commercial Activities Services is currently reviewing the terms of that contract with the Procurement Division with a view to seeking legal recourse.